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UNITED NATIONS CHILDREN'S FUND
Committee on Administration and Finance
1991 session

FOR ACTION

STATEMENT OF THE CHAIRMAN OF THE COMMITTEE ON ADMINISTRATION AND FINANCE ON ITS MEETINGS HELD AT UNITED NATIONS HEADQUARTERS FROM 29 APRIL TO 3 MAY 1991

I. ORGANIZATION OF THE SESSION

1. The Committee on Administration and Finance of the United Nations Children's Fund (UNICEF) met from 29 April to 3 May 1991.

2. The provisional agenda contained in E/ICEF/1991/1/Rev.2 was adopted by the Committee.

II. MEDIUM-TERM FINANCIAL PLAN, 1991-1994

3. The Committee recommends that the Executive Board:

Approve the medium-term plan (E/ICEF/1991/3) as a framework of projections for 1991-1994 (summarized in table 3), including the preparation of up to $500 million in programme expenditures from general resources to be submitted to the 1992 Executive Board (shown in table 2, item 3). This amount is subject to the availability of resources and to the condition that estimates of income and expenditure made in this plan continue to be valid.

III. UNICEF FINANCIAL REPORTS

4. The Committee recommends that the Executive Board:

Note the following:

(a) The interim financial report and statements for the year ended 31 December 1990, the first year of the biennium 1990-1991 (E/ICEF/1991/AB/L.7);

(b) The financial report and audited financial statements of UNICEF for the year ended 31 December 1989 and report of the Board of Auditors (Official Records of the General Assembly, Forty-fifth Session, Supplement No. 5B (A/45/5/Add.2 and corrigendum);

(c) The report of the Advisory Committee on Administrative and Budgetary Questions on the financial reports and audited financial statements and reports of the Board of Auditors relating to UNICEF (A/45/570 and Corr.1);

(d) The report to the United Nations Board of Auditors and the Advisory Committee on Administrative and Budgetary Questions regarding General Assembly resolution 45/235 (E/ICEF/1991/AB/L.3);

(e) The review of expenditures in excess of commitments and unspent commitments for completed projects financed by supplementary funds (E/ICEF/1991/AB/L.12).

IV. FINANCIAL REPORT FOR THE WORLD SUMMIT FOR CHILDREN AND SUMMIT-RELATED MOBILIZATION ACTIVITIES

5. The Committee recommends that the Executive Board:

Note the financial report for the World Summit for Children and Summit-related mobilization activities (E/ICEF/1991/AB/L.8).

V. BUDGET ESTIMATES

Draft resolution 1

Budget expenditure estimates for the biennium 1990-1991

6. The Committee recommends that the Executive Board:

1. Approve the supplementary budget request of $25,178,085 to cover all mandatory increases for the biennium 1990-1991;

2. Resolve that the revised budget estimates for the biennium 1990-1991 are as follows:

		$
Category 1 (a)	Staff costs: International	102 286 351
Category 1 (b)	Staff costs: Local	91 009 169
Category 2 (a)	General operating costs: Headquarters	64 201 142
Category 2 (b)	General operating costs: Field	57 359 216
Category 2 (c)	Capital expenditures: Headquarters	2 196 223
Category 2 (d)	Capital expenditures: Field	1 186 250
Category 3	Packing and assembly costs	8 934 249
	Total expenditures	327 172 600

3. Reaffirm that mandatory increases as defined by the Executive Board are those aspects which are beyond management control, i.e. mandatory salary increases, exchange rate fluctuations, unanticipated rent increases, additional staff entitlements approved by the United Nations common system and other unforeseen cost increases for existing UNICEF offices;

4. Decide that any savings realized during the course of a biennium budget should first be applied to mandatory increases and to cover unforeseen expenditures;

5. Reaffirm the principle that the reserve should be used to cover mandatory increases as contained in paragraph 3 above;

6. Reaffirm that the supplementary budget should not be the vehicle for new proposals.

Draft resolution 2

Merging of the Division of Information and the Division of Public Affairs

7. The Committee recommends that the Executive Board:

Agree to maintain the current structure of the Division of Information and the Division of Public Affairs pending review in the context of the medium-term plan during the 1992 Executive Board session.

Draft resolution 3

Reimbursable procurement income

8. The Committee recommends that the Executive Board:

1. Accept the estimates of reimbursable procurement income for the 1990-1991 revised budget contained in annex XVIII of document E/ICEF/1991/AB/L.1/Add.1;

2. Recommend, with respect to the 1992-1993 proposed budget, that steps be taken to ensure that the estimated staff costs do not exceed the estimated income from reimbursable procurement;

3. Decide that, in the future, interest income should be credited to general resources.

Draft resolution 4

Internal auditors

9. The Committee recommends that the Executive Board:

Note the disparate views on the merits of locating auditors either in the regional offices or headquarters,

Note the desire to maintain the performance of this vital function,

1. Decide to maintain the current placement of auditors pending the completion of a review by the Board of Auditors of the internal audit function and of the relative merits of the location of the regional auditors which will be presented to the Executive Board in 1993;

2. Recommend that the auditors be recruited under the International Civil Service Commission regulations and be made aware of the possible consequences of the Board of Auditors review.

Draft resolution 5

Revised income estimates related to the budget for the biennium 1990-1991

10. The Committee recommends that the Executive Board:

Resolve that, for the biennium 1990-1991, revised estimates of income related to the budget estimates are approved as follows:

	$
(a) Recovery from packing and assembly activities	16 000 000
(b) Contributions from assisted Governments towards local budget costs	1 850 000
(c) All other income	7 150 000
Total income	25 000 000

Draft resolution 6

Income estimates related to the budget for the biennium 1992-1993

11. The Committee recommends that the Executive Board:

Resolve that, for the biennium 1992-1993, revised estimates of income related to the budget estimates are approved as follows:

	$
(a) Recovery from packing and assembly activities.	16 000 000
(b) Contributions from assisted Governments towards local budget costs	1 850 000
(c) All other income	7 150 000
Total income	25 000 000

VI. UNICEF STAFFING

12. The Committee recommends that the Executive Board:

Note the report on the composition of all international Professional core staff and international project staff of the United Nations Children's Fund as of 1 January 1991 (E/ICEF/1991/AB/L.2 and Corr.1).

VII. GREETING CARD AND RELATED OPERATIONS WORK PLAN AND PROPOSED BUDGET FOR 1991

A. Greeting card and related operations (GCO) budgeted expenditures for the 1991 season

13. The Committee recommends that the Executive Board:

(a) Approve for the fiscal year 1 May 1991-30 April 1992, budgeted expenditures as detailed in tables 3, 4 and 5, and summarized in column II of table 7,

(b) Authorize the Executive Director:

(i) To incur expenditures as summarized in column II of table 7 and to increase the expenditures up to the level indicated in column III of table 7, should the apparent demand before and during the season necessitate; and, accordingly, to reduce expenditures below the level indicated in column II to the extent necessary, should the demand decrease;

(ii) To transfer funds between allotment accounts if necessary within the limits shown in table 7;

(iii) To spend an additional amount between Board sessions when necessary, owing to currency fluctuations, to ensure the continued operation of GCO.

B. Budgeted income for the 1991 season

14. The Committee recommends that the Executive Board:

Note that for the fiscal year 1 May 1991-30 April 1992, gross GCO income is budgeted as shown in column II of table 7 (E/ICEF/1991/AB/L.6).

VIII. GREETING CARD AND RELATED OPERATIONS - FINANCIAL REPORTS

15. The Committee recommends that the Executive Board:

Note the following:

(a) The GCO financial report and accounts for the 1989 season for the year ended 30 April 1990 (E/ICEF/1991/AB/L.5);

(b) The GCO provisional report of the 1990 season (covering the period 1 May 1990-30 April 1991) (E/ICEF/1990/AB/L.4).

IX. STATEMENT BY THE CHAIRPERSON OF THE UNICEF GLOBAL STAFF ASSOCIATION

16. The Committee heard with appreciation the statement of the Chairperson of the UNICEF Global Staff Association which outlined issues of concern to UNICEF staff.

X. OTHER DRAFT RECOMMENDATIONS

17. The Committee on Administration and Finance further recommends the following draft recommendations for adoption by the Executive Board:

(a) Headquarters office accommodation (E/ICEF/1991/CRP.48);

(b) Budget expenditure estimates for the biennium 1992-1993 (E/ICEF/1991/CRP.46);

(c) Review of budget format (E/ICEF/1991/CRP.47);

(d) Review of the administrative and management structure of UNICEF (E/ICEF/1991/CRP.49);

(e) UNICEF staffing (E/ICEF/1991/CRP.45);

(f) Draft model Basic Cooperation Agreement (E/ICEF/1991/CRP.50).